

## ABSTRACT

Separate accounts of life insurance carriers receive premiums for company owned life insurance (COLI). The premiums are invested in a stable value fund along with net premiums from other separate accounts. The stable value fund enters into a derivative contract with a stable value provider. The stable value fund calculates and reports book value of the investments to the separate accounts, which report the book value to the policy holders. The separate account investors share in the potential risk and reward from early withdrawals by other fund investors.

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